PROVINCE OF SASKATCHEWAN

MINISTRY OF
AGRICULTURE

# 07-08

# ANNUAL REPORT

## BEEF DEVELOPMENT FUND

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This annual report is also available in electronic format from the Ministry's website at **www.agriculture.gov.sk.ca**.

## Letters of Transmittal

2008

His Honour
The Honourable Dr. Gordon L. Barnhart
Lieutenant-Governor of the Province of Saskatchewan

May it please Your Honour:

As Minister of Saskatchewan Agriculture it is my pleasure to submit the annual report of the Beef Development Board for the year ending March 31, 2008.

Respectfully submitted,

Bob Bjornerud

Bob Bjornerud
Minister of Agriculture

The Honourable Bob Bjornerud
Minister of Agriculture
Room 302, Legislative Building
Regina, Saskatchewan
S4S 0B3

Dear Sir:

I am pleased to present herewith the annual report of the Saskatchewan Beef Development Board for the 12 months ending March 31, 2008.

Respectfully submitted,

David Boehm, Chairperson
Saskatchewan Beef Development Board

## The Beef Development Fund

The Beef Development Fund (BDF) supports the development and diversification of Saskatchewan's beef industry through the funding of projects related to production research, technology transfer and development and promotion of new products.

The BDF was established in 1994 utilizing funds saved due to the termination of the National Tripartite Stabilization Program for Cattle and the marketing surplus from the Saskatchewan Beef Stabilization Board marketing account.

**Funding under this program has been fully committed and BDF no longer accepts applications for funding.**

## Board Personnel

### Board of Directors

Mr. David Boehm, Chairperson ..... Regina
Dr. Abdul Jalil, Vice-Chairperson ..... Regina
Mr. Greg Haase..... Regina

### Staff

Staff services are provided through the Agriculture Research Branch and Corporate Services Branch of the Ministry of Agriculture.

Dr. Henry Soita ..... Secretary
Mr. Ken Petruic ..... Financial Manager
Ms. Cheryl Stroh..... Database Co-ordinator/ Financial Records

# Activities Report 2007 - 2008

This report covers the 2007-08 fiscal year of operation of the Saskatchewan Beef Development Board (SBDB).

## Background

The Saskatchewan Beef Development Board (SBDB) was established on June 28, 1994, to administer the Beef Development Plan and utilize the funds saved due to the termination of the National Tripartite Stabilization Program and the surplus from the Saskatchewan Beef Stabilization Board marketing account.

The funding available to the SBDB on a one-time basis was $1.8 million from the Saskatchewan Beef Stabilization Board marketing account and $1.4 million from the provincial government for the transition of the Beef Industry Development Fund (to replace the provincial share in the National Tripartite Stabilization Program funds).

The SBDB supports the development and diversification of Saskatchewan's beef industry through the funding of projects related to production research, including nutrition, management, disease prevention and pest control, reproduction, animal welfare, and environmental impact, technology transfer, and development and promotion of new products.

## Activities in 2007-08

No Board activity during this fiscal year. Project payments continue as scheduled.

## Management Report

Management is responsible for the integrity of the accompanying financial statements and all other information in this Annual Report. It is the responsibility of management to prepare financial statements in accordance with generally accepted accounting principles in Canada.

The integrity of the financial records from which these financial statements are prepared is largely dependent on management's systems of internal accounting controls. The purpose of such systems is to provide reasonable assurance that transactions are appropriately recorded in order to permit preparation of financial statements; and, assets are properly accounted for and safeguarded against loss from unauthorized use. Underlying this concept of reasonable assurance is the fact that limitations exist in any system of internal accounting controls based on the premise that the cost of such controls should not exceed the benefits derived therefrom.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board meets periodically with management to satisfy itself that management's responsibilities are properly discharged, and reviews and approves the financial statements and annual report.

The Provincial Auditor of Saskatchewan has audited the financial statements. His report to the Members of the Legislative Assembly, stating the scope of the examination and opinion on the financial statements, appears on the following pages.

The financial statements have been examined and approved by the Board.

Submitted by:

Alanna Koch
Deputy Minister
Saskatchewan Ministry of Agriculture

Laurier Donais
Director
Corporate Services Branch
Saskatchewan Ministry of Agriculture

July 20, 2008

**Provincial Auditor Saskatchewan**

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SASKATCHEWAN

## AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Beef Development Board as at March 31, 2008 and the statement of revenue, expense and net assets for the year then ended. The Fund's management is responsible for preparing these financial statements. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2008 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
September 4, 2008

Fred Wendel, CMA, CA
Provincial Auditor

## Financial Statements

**Statement 1**

**Beef Development Board**
**Statement of Financial Position**
As at March 31

| | 2008 | 2007 |
|---|---|---|
| **ASSETS** | | |
| Current assets | | |
| Due from General Revenue Fund (Note 4) | $ 238,233 | $ 307,625 |
| Accrued interest receivable | 2,205 | 3,462 |
| | $ 240,438 | $ 311,087 |
| **LIABILITIES AND NET ASSETS** | | |
| Net assets (Statement 2) | 240,438 | 311,087 |
| | $ 240,438 | $ 311,087 |

*(See accompanying notes to the financial statements)*

## BEEF DEVELOPMENT BOARD
## STATEMENT OF REVENUE, EXPENSE AND NET ASSETS
For the Year Ended March 31

| | 2008 | 2007 |
|---|---|---|
| **Revenue** | | |
| Interest revenue | $ 11,978 | $ 15,199 |
| Miscellaneous revenue | 5,338 | 24,168 |
| **Total revenue** | 17,316 | 39,367 |
| **Expenditure** | | |
| Project expenses (Note 5) | 87,300 | 118,610 |
| Board expenses | — | 650 |
| Miscellaneous expenses | 665 | 228 |
| **Total expenditure** | 87,965 | 119,488 |
| Deficit for the year | (70,649) | (80,121) |
| Net assets, beginning of year | 311,087 | 391,208 |
| Net assets, end of period - to Statement 1 | $ 240,438 | $ 311,087 |

*(See accompanying notes to the financial statements)*

## BEEF DEVELOPMENT BOARD
## NOTES TO THE FINANCIAL STATEMENTS
March 31, 2008

### 1. Authority

The Beef Development Board (Board) was established pursuant to Section 4 of *The Agri-Food Act 2004* to administer the Beef Development Plan. The Beef Development Plan was established effective June 28, 1994 to enhance the Saskatchewan beef and beef cattle industry through research, development and promotional activities that the Board considers to be in the best interests of the industry.

The Board administers the Plan through the Beef Development Fund.

### 2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting principles are considered significant:

a) Research and Development projects

Payments for research and development projects are recorded as project expenses when approved and the eligibility criteria, if any, have been met by the recipient.

### 3. Financial Instruments

Receivables/Payables

These financial instruments include items that are due or payable within the next year. Due to this short-term maturity, the carrying value of these financial instruments approximates their fair value.

### 4. Related Party Transactions

Included in these financial statements are transactions with Saskatchewan Crown agencies related to the Board by virtue of common control or significant influence by the Government of Saskatchewan.

The money of the Beef Development Board is deposited in the General Revenue Fund. Under this arrangement, interest is calculated on the net position of the Beef Development Board. Interest is paid by the General Revenue Fund on a quarterly basis using the Government's 30-day borrowing rate. The Government's average 30-day borrowing rate for 2007-2008 is 4.08 per cent (2006-2007 is 4.15 per cent).

The Board receives the use of office and administrative services from the Ministry of Agriculture without charge.

Other transactions with related parties and amounts due to/from them are disclosed separately in the financial statements and notes thereto.

## 5. Research and Development Projects

Project expenses are as follows:

| | 2008 | 2007 |
|---|---|---|
| Saskatchewan Quality Starts Here | $ — | $ 14,000 |
| University of Saskatchewan | 62,300 | 67,770 |
| Western Beef Development Centre | — | 11,840 |
| Farm Animal Council of Saskatchewan | 5,000 | 5,000 |
| Prairie Agricultural Machinery Institute | 20,000 | 20,000 |
| | $ 87,300 | $ 118,610 |

## 6. Commitments

At March 31, 2008, the Board has approved projects for payment in the following years.

| | |
|---|---|
| 2008/2009 | $ 67,000 |
| 2009/2010 | $ 24,600 |
| 2010/2011 | $ 15,000 |

## 7. Budget

The Board did not approve a budget for the 2007-2008 fiscal year.

## 8. Cash Flow Statement

No cash flow statement is presented because the required cash flow information is readily apparent from the other financial statements.

## 9. Significant Events

On March 9, 2006, the Board agreed to wind down its existence and request repeal of the applicable Regulations of *The Agri-Food Act*. The Regulations have not yet been repealed as of March 31, 2008.

## Project Payments

Please note: The following project payments represent only the payments made in the 2007-2008 fiscal year. These amounts do not reflect total project contract amounts for these initiatives.

| | | |
|---|---|---|
| Farm Animal Council of Saskatchewan (FACS) | Corporate Memberships in FACS - 2005-2007 | $ 5,000 |
| Saskatchewan Food Innovation Program University of Saskatchewan | Value-Added Beef Program | $ 47,300 |
| Animal and Poultry Science University of Saskatchewan | Technology Transfer Activities of the Saskatchewan Beef Industry Chair | $ 15,000 |
| Western Beef Development Centre/Prairie Agricultural Machinery Institute | Low-Cost Winter Feeding Systems for Cow-Calf Producers | $ 20,000 |